

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application:

**Listing of Claims:**

1. (Currently Amended) A method of generating surround-sound data including steps of:

providing a memory which has a sufficient storage capacity for storing a number of bits of data required to maintain a surround-sound for a maximum anticipated delay time;

supplying an instruction delay time voluntarily adjustable within a range of anticipated delay time;

determining the number of compression bits based on said instruction delay time and said storage capacity;

compressing digital input/output signal to a compressed digital signal with the determined number of compression bits, thereby supplying the compressed digital signal to said memory;

outputting said compressed digital signal retrieved ~~retrieval~~ from said memory said instruction delay time later as expanded digital signal after expanding; and

adding said digital input signal and said expanded digital signal to output as said digital output signal.

2. (Previously Presented) An apparatus for generating a surround-sound signal from a digital signal input thereto, and providing an output signal derived from said input signal, said apparatus comprising:

delay time adjusting means to supply an instruction delay time;

a memory having a sufficient storage capacity for storing a number of bits of data required to maintain a surround-sound for a maximum anticipated delay time, and storing compressed digital signal until said compressed digital signal is retrieved said instruction delay time later;

digital compression means for compressing digital input/output signal to said compressed digital signal of the number of compression bits determined based on said instruction delay time and said storage capacity, and for supplying the compressed digital signal to said memory;

digital expansion means for expanding said compressed digital signal retrieved from said memory said instruction delay time later; and

an adder for adding said expanded digital signal to the current input digital signal.

3. (Original) The apparatus according to claim 2, wherein said digital compression means is a differential pulse code modulation (DPCM) encoder, and said digital expansion means is a DPCM decoder.

4-5. (Cancelled).

6. (Previously Presented) The method according to Claim 1, wherein said number of compression bits is obtained by dividing said storage capacity by said instruction delay time.

7. (Previously Presented) The apparatus according to Claim 2, further comprising bit number setting means for setting the number of compression bits such that a larger number of compression bits is set step-wise for a shorter instruction delay time based on the number of compression bits when said instruction delay time is a maximum delay time.